Violation of RBI Norms

1287. SHRI PASUMPON THA KIRUTTINAN: Will the Minister of FINANCE be pleased to state:

(a) whether according to the norms laid down by Reserve Bank of India, all loans are to be disbursed within a period of 60 days from the date of application;

(b) whether the local head office of the State Bank of India, New Delhi is flouting these norms in disbursing of loans within the stipulated period;

(c) if so, the total number of cases pending with the SBI in Delhi with the names of firms, amount of advance applied, number of instalments paid in each case; and

(d) the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) While in terms of Reserve Bank of India (RBI) guidelines, a time frame of 60 days has been prescribed for sanction of fresh/enhanced credit limits provided applications/proposals are received together with required details/information supported by requisite financial and operating statements, no time frame has been prescribed by RBI for disbursement of loan facilities.

(b) State Bank of India (SBI), Local Head Office, New Delhi has reported that eventhough no time frame for disbursement has been stipulated by RBI, disbursements are being effected by the bank immediately after all formalities are completed by the borrowers.

(c) and (d) Do not arise.

Cotton Prices

1288. SHRI GOVINDRAO ADIK: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are aware that the current prices of cotton are much lower than the last year and even then there are no buyers and the crop is stocked as it is in the fields;

(b) if so, what remedial measures Government are contemplating to take to clear it in the interest of farmers; and

(c) whether this sort of situation will affect its future produce?

THE MINISTER OF LABOUR AND THE MINISTER OF TEXTILES (SHRI G. VENKAT SWAMY): (a) to (c) Though the current prices of cotton are lower in comparison to the exceptionally high prices that prevailed last year, they are ruling much above the support prices. During the current year, cotton equivalent to an estimated 90.45 lakh bales is reported to have arrived in the market as on 23.2.96 as compared to 77.57 lakh bales during the corresponding period last year.

Government of India have as of date, released a quota of 9.15 lakh bales of cotton for export this year. Government is monitoring the situation.

Price Rigging in Bombay Stock Exchange

1289. SHRI VAYALAR RAVI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that many firms registered with Bombay Stock Exchange (BSE) rigged the price;

(b) if so, the number of firms involved in the price rigging;

(c) what action Government propose to take against such firms; and

(d) the steps taken to prevent the price rigging?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL): (a) and (b) Securities and Exchange Board of India (SEBI), which is the regulatory authority for the securities market and for stock Exchanges, has informed that there are many scrips in which abnormal increase in prices has been noticed. In some of these cases price rigging is suspected and about 45 such cases are under enquiry/ investigation.